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Canada

Solid Wood Products

Annual

2003

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Report Highlights:

According to available production data from Statistics Canada for 2003, Post estimates that softwood lumber production will total 78.7 million m³, up more than 9% from 2002 levels due to Canadian mills increasing production to lower unit costs. For 2004, Post forecasts a slight decrease in production to 78.0 million m³ due to consolidation in the Canadian milling industry. Exports of wood and wood products for the first nine months of 2003 are down 2% relative to the same period in 2002, at US\$9.1 billion. However, annualizing for 2003 would result in total domestic exports of US\$12.1 billion, slightly higher than total domestic exports for 2002. The U.S. remains the largest export market for Canadian wood and wood products.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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Ottawa [CA1]
[CA]

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SECTION 1. INTRODUCTION

For background on Canada's forests, please see last year's Solid Wood Products Annual report, [GAIN CA2146](#), or visit the Natural Resources Canada publication, The [State of Canada's Forests, 2002/03](#).

SECTION 2. PRODUCTION

2.1 Softwood Log Situation/Outlook

Using historical softwood log production data from the Natural Resources Canada National Forestry Database Program, Canadian Council of Forest Ministers, and historical softwood lumber production from Statistics Canada a lumber/log ratio was applied to the 2002 calendar year and 2003 year-to-date Statistics Canada softwood lumber production data to infer 2002 softwood log production and make an estimate for 2003. Production in 2002 is 168.3 million m³. Post estimates an eight percent increase in softwood log production for 2003 as firms increase production to lower unit costs in order to stay profitable under U.S. Department of Commerce duties on softwood lumber exports from Canada. For 2004, Post forecasts that softwood log production will decline slightly due to consolidation and shutdowns in the industry. Based on nine months of trade data, imports for 2003 are expected to be down approximately eight percent while imports for 2004 are forecast to remain constant relative to 2003 levels due to increased production in 2003 and 2004. Exports for 2003 based on nine months of data from Statistics Canada are expected to be up more than seven percent over 2002 levels and Post estimates that exports in 2004 will increase slightly.

Table 1: Softwood Log Supply & Distribution

PSD Table

| Country Commodity | Canada Softwood Logs | | | | 1000 CUBIC METERS | | UOM |
|----------------------|-----------------------------------|--------------------------------------|-----------------------------------|---------------------------------------|-----------------------------------|---------------------------------------|-----------|
| | 2002 USDA Official [Old] | Revised Post Estimate [New] | 2003 USDA Official [Old] | Estimate Post Estimate [New] | 2004 USDA Official [Old] | Forecast Post Estimate [New] | |
| Market Year Begin | | 01/2002 | | 01/2003 | | 01/2004 | MM/YYYY |
| Production | 168000 | 168300 | 170000 | 182900 | 0 | 182000 | 1000 CUBI |
| Imports | 4000 | 4361 | 2000 | 4000 | 0 | 4000 | 1000 CUBI |
| TOTAL SUPPLY | 172000 | 172661 | 172000 | 186900 | 0 | 186000 | 1000 CUBI |
| Exports | 4200 | 4108 | 4500 | 4400 | 0 | 4500 | 1000 CUBI |
| Domestic Consumption | 167800 | 168553 | 167500 | 182500 | 0 | 181500 | 1000 CUBI |
| TOTAL DISTRIBUTION | 172000 | 172661 | 172000 | 186900 | 0 | 186000 | 1000 CUBI |

2.2 Softwood Lumber Situation/Outlook

According to the first eight months of available production data from Statistics Canada for 2003, Post estimates that softwood lumber production will total 78.7 million m³, up more than nine percent from 2002 levels due to Canadian mills increasing production to lower unit costs. For 2004, Post forecasts a slight decrease in production to 78.0 million m³ due to

consolidation in the Canadian milling industry. On the trade side, using nine months of available data from Statistics Canada, imports for 2003 are expected to up by more than 30% due to rising domestic use fueled by the ongoing Canadian new housing market boom. Exports for 2003 are also expected to increase by just over two percent due to strong increases in production. In 2004, imports are forecast to continue to decline to more average levels, while exports are forecasted to decline slightly from 2003 levels.

Table 2: Softwood Lumber Supply & Distribution

PSD Table

| Country Commodity | Canada Softwood Lumber | | | | 1000 CUBIC METERS | | UOM |
|----------------------|-----------------------------------|--------------------------------------|-----------------------------------|---------------------------------------|-----------------------------------|---------------------------------------|-----------|
| | 2002 USDA Official [Old] | Revised Post Estimate [New] | 2003 USDA Official [Old] | Estimate Post Estimate [New] | 2004 USDA Official [Old] | Forecast Post Estimate [New] | |
| Market Year Begin | 01/2002 | | 01/2003 | | 01/2004 | | MM/YYYY |
| Production | 69000 | 71989 | 73000 | 78700 | 0 | 78000 | 1000 CUBI |
| Imports | 500 | 537 | 400 | 700 | 0 | 500 | 1000 CUBI |
| TOTAL SUPPLY | 69500 | 72526 | 73400 | 79400 | 0 | 78500 | 1000 CUBI |
| Exports | 43900 | 49930 | 48000 | 51000 | 0 | 50500 | 1000 CUBI |
| Domestic Consumption | 25600 | 22596 | 25400 | 28400 | 0 | 28000 | 1000 CUBI |
| TOTAL DISTRIBUTION | 69500 | 72526 | 73400 | 79400 | 0 | 78500 | 1000 CUBI |

2.3 Softwood Plywood Situation/Outlook

Statistics Canada maintains production of total plywood but does not provide a breakdown of softwood versus hardwood production. Statistics Canada estimates that 95-97% of total plywood production is softwood, however, historical Post estimates reveal an average of 92-93%. For this report, Post used an estimate of 92% for softwood plywood production.

Table 3: Softwood Plywood Supply & Distribution

PSD Table

| Country Commodity | Canada Softwood Plywood | | | | 1000 CUBIC METERS | | UOM |
|----------------------|-----------------------------------|--------------------------------------|-----------------------------------|---------------------------------------|-----------------------------------|---------------------------------------|-----------|
| | 2002 USDA Official [Old] | Revised Post Estimate [New] | 2003 USDA Official [Old] | Estimate Post Estimate [New] | 2004 USDA Official [Old] | Forecast Post Estimate [New] | |
| Market Year Begin | 01/2002 | | 01/2003 | | 01/2004 | | MM/YYYY |
| Production | 2080 | 1995 | 2000 | 1920 | 0 | 2200 | 1000 CUBI |
| Imports | 170 | 152 | 150 | 105 | 0 | 100 | 1000 CUBI |
| TOTAL SUPPLY | 2250 | 2147 | 2150 | 2025 | 0 | 2300 | 1000 CUBI |
| Exports | 560 | 555 | 550 | 505 | 0 | 700 | 1000 CUBI |
| Domestic Consumption | 1690 | 1592 | 1600 | 1520 | 0 | 1600 | 1000 CUBI |
| TOTAL DISTRIBUTION | 2250 | 2147 | 2150 | 2025 | 0 | 2300 | 1000 CUBI |

Using nine months of Statistics Canada plywood production figures for 2003, softwood plywood production is estimated to be 1,920,000 m³, almost four percent lower relative to 2002 production levels. For 2004, Post forecasts that production will increase to 2.2 million m³ as additional logs are processed due to harvesting done to control infestation levels of mountain pine beetle in the interior parts of British Columbia. Based on nine months of data from Statistics Canada for 2003, imports are expected to decrease by almost 30%, with exports from the U.S. decreasing by almost 40% relative to 2002 levels. Imports in 2004 are expected to decline slightly compared to 2003, while exports are expected to strongly increase due to increased supplies.

2.4 Hardwood Log Situation/Outlook

Using historical hardwood log production data from the Natural Resources Canada National Forestry Database Program, Canadian Council of Forest Ministers, and historical hardwood lumber production from Statistics Canada a lumber/log ratio was applied to 2001 calendar year and 2002 year-to-date Statistics Canada hardwood lumber production data to infer hardwood log production. Hardwood log production in 2002 is estimated to be 33.1 million m³. Post estimates that there will be slight decrease in hardwood log production for 2003 to 33.0 million m³ with production remaining stable in 2004. Based on nine months of Statistics Canada trade data for 2003, imports are expected to drop by more than 16% relative to 2002 levels as requirements for domestic consumption decline. Imports for 2004 are expected to partially recover to 2002 levels. Exports in 2003 are expected to be nearly 12% lower than 2002 levels on account of reduced supplies. Exports for 2004 are forecast to rise.

Table 4: Hardwood Log Supply & Distribution

PSD Table

| Country Commodity | Canada | | Temperate Hardwood Logs | | 1000 CUBIC METERS | | UOM |
|----------------------|-----------------------------------|---|-----------------------------------|--|-----------------------------------|--|-----------|
| | 2002 USDA Official [Old] | Revised Post Estimate [New] 01/2002 | 2003 USDA Official [Old] | Estimate Post Estimate [New] 01/2003 | 2004 USDA Official [Old] | Forecast Post Estimate [New] 01/2004 | |
| Market Year Begin | | | | | | | MM/YYYY |
| Production | 32500 | 33100 | 33000 | 32300 | 0 | 33000 | 1000 CUBI |
| Imports | 2600 | 2577 | 2400 | 2150 | 0 | 2400 | 1000 CUBI |
| TOTAL SUPPLY | 35100 | 35677 | 35400 | 34450 | 0 | 35400 | 1000 CUBI |
| Exports | 330 | 363 | 400 | 320 | 0 | 400 | 1000 CUBI |
| Domestic Consumption | 34770 | 35314 | 35000 | 34130 | 0 | 35000 | 1000 CUBI |
| TOTAL DISTRIBUTION | 35100 | 35677 | 35400 | 34450 | 0 | 35400 | 1000 CUBI |

2.5 Hardwood Lumber Situation/Outlook

Using nine months of Statistics Canada hardwood lumber production data for 2003, hardwood lumber production is expected to decline slightly from 2002 levels to 1,035,000 m³. Imports of hardwood lumber are expected to increase almost five percent relative to 2003 levels to meet increased domestic consumption requirements and to offset declining production. Exports for 2003 are expected to decline for similar reasons. Production for 2004 is forecast to recover slightly to 1,040,000 m³. Imports for 2004 are forecast to remain constant, while exports are forecast to decline relative to 2003 levels.

Table 5: Hardwood Lumber Supply & Distribution

PSD Table

| Country Commodity | Canada | | | | | | UOM |
|----------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-----------|
| | Temperate Hardwood Lumber | | | | | | |
| Market Year Begin | 2002 | Revised | 2003 | Estimate | 2004 | Forecast | MM/YYYY |
| | USDA Official [Old] | Post Estimate [New] | USDA Official [Old] | Post Estimate [New] | USDA Official [Old] | Post Estimate [New] | |
| | 01/2002 | | 01/2003 | | 01/2004 | | |
| Production | 1030 | 1042 | 1050 | 1035 | 0 | 1040 | 1000 CUBI |
| Imports | 1080 | 1069 | 1100 | 1120 | 0 | 1100 | 1000 CUBI |
| TOTAL SUPPLY | 2110 | 2111 | 2150 | 2155 | 0 | 2140 | 1000 CUBI |
| Exports | 1370 | 1392 | 1400 | 1380 | 0 | 1400 | 1000 CUBI |
| Domestic Consumption | 740 | 719 | 750 | 775 | 0 | 740 | 1000 CUBI |
| TOTAL DISTRIBUTION | 2110 | 2111 | 2150 | 2155 | 0 | 2140 | 1000 CUBI |

2.6 Hardwood Plywood Situation/Outlook

Based on eight months of plywood production data from Statistics Canada for 2001, with hardwood species estimated to account for eight percent of total plywood production, production in 2003 is expected to decrease approximately six percent compared to 2002 production levels. Imports for 2003, based upon nine months of trade data from Statistics Canada, are expected to increase approximately four percent over 2002 levels to partially offset reduced domestic production. Exports for 2003 are expected to marginally decrease, partially reflecting the decrease in production. Production in 2004 is forecast to remain constant, as are import and export estimates.

Table 6: Hardwood Plywood Supply & Distribution

PSD Table

| Country Commodity | Canada | | Hardwood Plywood | | | | 1000 CUBIC METERS | | UOM |
|----------------------|-----------------------------------|---|-----------------------------------|--|-----------------------------------|--|-------------------|--|-----|
| | 2002 USDA Official [Old] | Revised Post Estimate [New] 01/2002 | 2003 USDA Official [Old] | Estimate Post Estimate [New] 01/2003 | 2004 USDA Official [Old] | Forecast Post Estimate [New] 01/2004 | | | |
| Market Year Begin | | | | | | | MM/YYYY | | |
| Production | 190 | 180 | 200 | 170 | 0 | 170 | 1000 CUBI | | |
| Imports | 110 | 101 | 100 | 105 | 0 | 105 | 1000 CUBI | | |
| TOTAL SUPPLY | 300 | 281 | 300 | 275 | 0 | 275 | 1000 CUBI | | |
| Exports | 280 | 273 | 280 | 270 | 0 | 270 | 1000 CUBI | | |
| Domestic Consumption | 20 | 8 | 20 | 5 | 0 | 5 | 1000 CUBI | | |
| TOTAL DISTRIBUTION | 300 | 281 | 300 | 275 | 0 | 275 | 1000 CUBI | | |

2.7 Oriented Strandboard Situation/Outlook

Based on nine months of production data from Statistics Canada for 2003, oriented strandboard (OSB) production is estimated to be 8.6 million m³, up three percent from 2002 levels. Production for 2003 is forecast to remain unchanged. Based on January-September 2003 trade data from Statistics Canada, imports for 2003 are expected to decrease by almost 10% relative to 2002 levels due to increased production. Exports are expected to increase approximately five percent relative to 2002, due to higher production and reduced domestic consumption. For 2004, production is forecast to increase. Consequently, imports are forecast to decline, and exports are forecast to increase despite a partial recovery in domestic consumption.

Table 7: Oriented Strandboard Supply & Distribution

PSD Table

Country: Canada

Commodity: Oriented Strand Board

HS: 4410.11

Units: '000 m³

| | 2002 Revised | 2003 Prelimin. | 2004 Post Fore. |
|----------------------|-----------------|-------------------|--------------------|
| Production | 8,361 | 8,640 | 9,000 |
| Imports* | 144 | 130 | 110 |
| TOTAL SUPPLY | 8,505 | 8,770 | 9,110 |
| Exports* | 7,477 | 7,870 | 8100 |
| Domestic Consumption | 1,028 | 900 | 1,010 |
| TOTAL DISTRIBUTION | 8,505 | 8,770 | 9,110 |

* HS 441021, 441029

SECTION 3. TRADE

3.1 Overview & Outlook

The value of exports of wood and wood products for the first nine months of 2003 are down two percent relative to the same period in 2002, at US\$9.1 billion. Annualizing for 2003 would result in total domestic exports of US\$12.1 billion, slightly higher than total domestic exports for 2002. The U.S. remains the largest export market for Canadian wood and wood products. Exports to the U.S. for the first nine months of 2003 are US\$7.8 billion, down more than four percent relative to 2002 levels. Japan was Canada's second largest export market, accounting for just US\$831 million of Canada's total export trade based on nine months of trade data from Statistics Canada, up almost five percent compared to the same time period in 2002.

The U.S. continues to be the number source of imported softwood lumber and logs. In 2002, Canada imported 537,200 m³ of softwood lumber, with 88% sourced from the U.S. Based on nine months of trade data from Statistics Canada, total softwood lumber imports into Canada for 2003 (year-to-date) are up almost 30% while imports from the U.S. are up over 27%. Canada imported almost 4.4 million m³ of softwood logs in 2002. Based on data currently available from Statistics Canada, it is expected that softwood imports for 2003 will decline by nearly eight percent to 4.0 million m³. However, as was the situation in previous years, the U.S. will account for 99% of imported softwood logs.

While the overall dollar value of Canadian wood and wood product exports are down slightly for 2003, exports of softwood lumber are have increased slightly, up 1.4% relative to 2002's level of 37.6 million m³. The U.S. remains Canada's primary softwood lumber export market, accounting for roughly 90% of total Canadian exports. Despite duties on exports of Canadian softwood lumber into the U.S., exports into the U.S. are up marginally, as lumber mills increased production to lower unit costs. Japan remains Canada's second largest export market, with year-to-date statistics for 2003 indicating an increase in exports of almost five percent. Canadian exports of softwood logs are expected to decline marginally for 2003, relative to the 4.1 million m³ exported in 2002. Exports of softwood logs to the U.S., however, are expected to decline by 10%. Exports to South Korea are expected to increase almost 78% for 2003.

3.2 Trade Matrices

Table 8: Value of Wood & Wood Product Exports

World Trade Atlas

Value of Canadian Exports (Domestic) of Wood and Wood Products

HS: 44 WOOD

| Country | Billions of US Dollars | | | | % Change '03/02 |
|-----------------|------------------------|------|------|------|--------------------|
| | 2001 | 2002 | 2002 | 2003 | |
| -- The World -- | 12.3 | 12.0 | 9.3 | 9.1 | -2.0% |
| United States | 10.5 | 10.3 | 8.1 | 7.8 | -4.2% |
| Japan | 1.2 | 1.1 | 0.8 | 0.8 | 4.5% |
| United Kingdom | 0.1 | 0.1 | 0.1 | 0.1 | 16.6% |
| Australia | 0.0 | 0.1 | 0.0 | 0.0 | 2.4% |
| Others | 0.4 | 0.5 | 0.3 | 0.4 | 32.4% |

Source of Data: Statistics Canada

Table 9: Softwood Lumber Imports

World Trade Atlas

Canada - Imports -Total-

HS: 440710 CONIFEROUS Lumber

| Country | UOM: '000 m ³ | | | | % Change '03/02 |
|-----------------|--------------------------|-------|-------|---------|--------------------|
| | 2002 | 2002 | 2003 | 2003 | |
| -- The World -- | 537.2 | 404.1 | 523.4 | 29.5% | |
| United States | 473.2 | 353.3 | 450.2 | 27.4% | |
| Brazil | 18.4 | 12.4 | 12.8 | 3.3% | |
| Chile | 6.9 | 5.0 | 5.1 | 1.3% | |
| Austria | 14.1 | 14.1 | 0.0 | -100.0% | |
| Others | 24.6 | 19.2 | 55.3 | 188.1% | |

Source of Data: Statistics Canada

Table 10: Softwood Lumber Exports

World Trade Atlas

Canada - Softwood Lumber Exports -Domestic-

HS: 440710 CONIFEROUS

| Country | UOM: '000 m ³ | | | | % Change '03/02 |
|-----------------|--------------------------|--------|--------|--------|--------------------|
| | 2002 | 2002 | 2003 | 2003 | |
| -- The World -- | 49,930 | 37,625 | 38,140 | 1.4% | |
| United States | 44,737 | 34,079 | 34,106 | 0.1% | |
| Japan | 3,778 | 2,586 | 2,712 | 4.8% | |
| Taiwan | 220 | 154 | 209 | 35.9% | |
| China | 153 | 107 | 169 | 58.4% | |
| Saudi Arabia | 92 | 56 | 115 | 106.7% | |
| Australia | 139 | 107 | 102 | -5.2% | |
| United Kingdom | 107 | 80 | 94 | 16.9% | |
| Hong Kong | 155 | 103 | 120 | 16.1% | |
| Others | 549 | 352 | 513 | 45.6% | |

Source of Data: Statistics Canada

Table 11: Softwood Log Imports

World Trade Atlas

HS: 440320

Imports of Softwood Logs, ex fence posts & telephone poles

| Country | January - September | | | % Change '03/02 |
|-----------------|---------------------|-------|-------|--------------------|
| | 2002 | 2002 | 2003 | |
| -- The World -- | 4,361 | 3,111 | 3,045 | -2.1% |
| United States | 4,336 | 3,087 | 3,044 | -1.4% |
| Argentina | 7 | 7 | - | -100.0% |
| Latvia | 2 | 2 | - | -100.0% |
| South Africa | 14 | 14 | - | -100.0% |
| Others | 3 | 1 | 1 | -19.5% |

Source of Data: Statistics Canada

Table 12: Softwood Log Exports

World Trade Atlas

HS: see list below

Exports (Domestic) of Softwood Logs

| Country | January - September | | | % Change '03/02 | |
|----------------------|---------------------|-------|-------|--------------------|--------|
| | 2002 | 2002 | 2003 | | |
| -- The World -- | - | 4,108 | 3,298 | 3,264 | -1.0% |
| United States | 2,071 | 1,745 | 1,570 | 1,570 | -10.0% |
| Japan | 1,786 | 1,358 | 1,306 | 1,306 | -3.8% |
| Korea, South | 213 | 168 | 298 | 298 | 77.6% |
| United Arab Emirates | - | - | 24 | 24 | - |
| China | 19 | 12 | 55 | 55 | 357.9% |
| Others | 19 | 16 | 11 | 11 | -31.7% |

Source of Data: Statistics Canada

HS Codes: 44032031, 44032039, 44032040, 44032050, 44032061,
44032062, 44032070, 44032080, 44032090

Table 13: Hardwood Lumber Imports

World Trade Atlas

Imports of Hardwood Lumber

HS: 440791, 440792, 440799

| Country | January - September | | | % Change '03/02 |
|-----------------|---------------------|-------|-------|--------------------|
| | 2002 | 2002 | 2003 | |
| -- The World -- | 1,069.4 | 804.3 | 841.0 | 4.6% |
| United States | 1,053.5 | 792.0 | 830.2 | 4.8% |
| Brazil | 4.1 | 2.9 | 3.6 | 21.2% |
| China | 1.5 | 0.9 | 1.3 | 40.3% |
| France | 1.4 | 1.3 | 0.0 | -99.5% |
| Paraguay | 2.3 | 2.1 | 0.0 | -98.8% |
| Others | 6.6 | 5.0 | 5.9 | 16.6% |

Source of Data: Statistics Canada

Table 14: Hardwood Lumber Exports

World Trade Atlas

Exports (Domestic) of Hardwood Lumber

HS: 440791, 440792, 440799

| Country | January - September | | | % Change '03/02 |
|-----------------|---------------------|---------|---------|--------------------|
| | 2002 | 2002 | 2003 | |
| -- The World -- | 1,392.1 | 1,035.7 | 1,035.8 | 0.0% |
| United States | 1,119.4 | 826.1 | 777.9 | -5.8% |
| United Kingdom | 61.0 | 54.5 | 52.3 | -4.0% |
| Germany | 28.0 | 20.3 | 19.1 | -6.1% |
| Hong Kong | 17.6 | 12.6 | 13.5 | 6.7% |
| Spain | 20.0 | 14.1 | 15.2 | 7.9% |
| Japan | 18.9 | 13.7 | 10.7 | -21.6% |
| China | 16.1 | 11.4 | 9.4 | -17.1% |
| Ireland | 12.0 | 11.0 | 1.7 | -84.9% |
| Philippines | 0.6 | 0.4 | 58.8 | 14232.9% |
| Others | 98.6 | 71.6 | 77.1 | 7.8% |

Source of Data: Statistics Canada

Table 15: Hardwood Log Imports

World Trade Atlas

HS: 440391, 440392, 440399

Imports of Hardwood Logs

| Country | January - September | | | % Change '03/02 |
|-----------------|---------------------|-------|-------|--------------------|
| | 2002 | 2002 | 2003 | |
| -- The World -- | 2,577 | 1,987 | 1,615 | -18.7% |
| United States | 2,573 | 1,984 | 1,612 | -18.7% |
| Brazil | 2 | 2 | 0 | -91.8% |
| Others | 2 | 1 | 2 | -100.0% |

Source of Data: Statistics Canada

Table 16: Hardwood Log Exports

World Trade Atlas

HS: see list below

Exports (Domestic) of Hardwood Logs

| Country | January - September | | | % Change '03/02 |
|-----------------|---------------------|-------|-------|--------------------|
| | 2002 | 2002 | 2003 | |
| -- The World -- | 363.2 | 254.0 | 240.8 | -5.2% |
| United States | 321.8 | 224.5 | 213.5 | -4.9% |
| Hong Kong | 5.9 | 3.1 | 4.4 | 43.5% |
| China | 6.5 | 5.2 | 3.8 | -26.7% |
| Korea, South | 5.3 | 3.3 | 0.6 | -80.8% |
| Others | 23.7 | 17.9 | 18.3 | 2.6% |

Source of Data: Statistics Canada

HS Codes: 44039100, 44039200, 44039911, 44039919,
44039920, 44039930, 44039940, 44039990

Table 17: Softwood Plywood Imports

World Trade Atlas

Canadian Imports of Softwood Plywood

HS: 441219 <=6MM, OUTER CONIFER

| Country | January - September | | | % Change '03/02 |
|-----------------|---------------------|-------|------|--------------------|
| | 2002 | 2002 | 2003 | |
| -- The World -- | 152.2 | 125.2 | 78.0 | -37.7% |
| United States | 141.2 | 116.0 | 63.0 | -45.7% |
| Chile | 6.9 | 6.4 | 7.0 | 9.5% |
| Brazil | 2.3 | 1.5 | 4.7 | 210.2% |
| Indonesia | 0.3 | 0.3 | 1.1 | 267.1% |
| Russia | 0.1 | 0.0 | 1.2 | - |
| Others | 1.5 | 1.0 | 0.9 | -1.6% |

Source of Data: Statistics Canada

Table 18: Softwood Plywood Exports

World Trade Atlas

Canada - Exports (Domestic) of Softwood Plywood

HS: 441219 <=6MM, OUTER CONIFER

| Country | January - September | | | % Change '03/02 |
|-----------------|---------------------|-------|-------|--------------------|
| | 2002 | 2002 | 2003 | |
| -- The World -- | 555.4 | 419.1 | 379.4 | -9.5% |
| United States | 429.8 | 324.1 | 310.8 | -4.1% |
| Japan | 106.0 | 79.9 | 57.8 | -27.7% |
| United Kingdom | 11.9 | 9.0 | 7.4 | -17.7% |
| Ireland | 3.1 | 2.7 | 0.1 | -96.0% |
| Others | 4.6 | 3.4 | 3.3 | -4.2% |

Source of Data: Statistics Canada

Table 19: Hardwood Plywood Imports

Canadian Imports of Hardwood Plywood

HS: 441214 PLY,1/+OUTR=N-CONIF

| UOM: '000 m ³ | January - September | | | % Change |
|--------------------------|---------------------|------|------|----------|
| Country | 2002 | 2002 | 2003 | '03/02 |
| -- The World -- | 100.7 | 84.5 | 85.8 | 1.5% |
| United States | 40.5 | 32.8 | 44.8 | 36.9% |
| Russia | 16.1 | 13.7 | 14.0 | 1.8% |
| Taiwan | 9.4 | 9.3 | 6.1 | -33.8% |
| Finland | 7.1 | 5.8 | 4.9 | -15.5% |
| Brazil | 3.9 | 3.0 | 4.4 | 48.0% |
| China | 10.1 | 8.8 | 6.7 | -24.2% |
| Indonesia | 9.2 | 7.4 | 3.2 | -56.9% |
| Others | 4.4 | 3.8 | 1.7 | -56.3% |

Source of Data: Statistics Canada

Table 20: Hardwood Plywood Exports

World Trade Atlas

Canada - Exports (Domestic) of Hardwood Plywood

HS: 441214 PLY,1/+OUTR=N-CONIF

| UOM: '000 m ³ | January - September | | | % Change |
|--------------------------|---------------------|-------|-------|----------|
| Country | 2002 | 2002 | 2003 | '03/02 |
| -- The World -- | 273.0 | 212.7 | 200.8 | -5.6% |
| United States | 271.3 | 211.0 | 200.2 | -5.1% |
| Others | 1.8 | 1.7 | 0.6 | -63.6% |

Source of Data: Statistics Canada

Table 21: OSB/Waferboard Imports

World Trade Atlas

Canadian Imports of OSB/Waferboard

HS: 441021, 441029

| UOM: '000 m ³ | January - September | | | % Change |
|--------------------------|---------------------|-------|------|----------|
| Country | 2002 | 2002 | 2003 | '03/02 |
| -- The World -- | 143.8 | 121.0 | 96.4 | -20.3% |
| United States | 119.5 | 96.8 | 83.2 | -14.1% |
| Poland | 16.3 | 16.3 | 7.4 | -54.5% |
| France | 1.5 | 1.5 | 4.1 | 178.8% |
| Brazil | 0.0 | 0.0 | 1.6 | 5171.0% |
| Germany | 6.2 | 6.2 | 0.0 | -100.0% |
| Others | 0.2 | 0.1 | 0.1 | 22.6% |

Source of Data: Statistics Canada

Table 22: OSB/Waferboard Exports

World Trade Atlas
 Product Group (HS 441021, 441029)
 Exports (Domestic) of OSB/Waferboard
 UOM: '000 m³

| Country | January - September | | | % Change '03/02 |
|-----------------|---------------------|-------|-------|-----------------|
| | 2002 | 2002 | 2003 | |
| -- The World -- | 7,477 | 5,667 | 5,900 | 4.1% |
| United States | 7,291 | 5,524 | 5,785 | 4.7% |
| Japan | 156 | 120 | 90 | -24.9% |
| Korea, South | 19 | 14 | 12 | -10.5% |
| Others | 12 | 9 | 13 | 49.6% |

Source of Data: Statistics Canada

SECTION 4. POLICY AND INDUSTRY DEVELOPMENTS

A table at the end of the report lists all reports regarding developments in the forest policy and the forest industry since the 2002 Solid Wood Products Annual Report.

For additional detailed information about forestry in Canada, visit the following websites:

British Columbia Ministry of Forests:

<http://www.gov.bc.ca/for>

Council of Forest Industries:

<http://www.cofi.org>

Department of Foreign Affairs and International Trade:

<http://www.dfait-maeci.gc.ca/eicb/softwood/menu-en.asp>

Export Development Corporation:

<http://www.edc-see.ca>

Industry Canada (Forest Industries – Sector Reviews):

<http://strategis.ic.gc.ca/epic/internet/inf-iff.nsf/vwGeneratedInterE/fb01223e.html>

Industry Canada (Forest Industries):

http://strategis.ic.gc.ca/sc_indps/sectors/engdoc/fmbp_hpg.html

National Forestry Database Program:

<http://nfdp.ccfm.org>

Natural Resources Canada, State of Canada's Forests:

http://www.nrcan-rncan.gc.ca/cfs-scf/national/what-quoi/sof/latest_e.html

Natural Resources Canada, Canadian Forestry Service:

http://www.pfc.cfs.nrcan.gc.ca/monitoring/inventory/site-map_e.html

Statistics Canada, The Lumber Industry: Crucial Contribution to Canada's Prosperity:

<http://www.statcan.ca/english/research/31F0027MIE/31F0027MIE2002001.pdf>

UNECE Timber Committee and the FAO European Forestry Commission:
<http://www.unece.org/trade/timber/mis/market/market-61/canada.pdf>

Find FAS on the World Wide Web:

Visit our headquarters' home page at <http://www.fas.usda.gov> for a complete listing of FAS' worldwide agricultural reporting.

Related FAS/Ottawa Reports:

| Report Number | Title of Report | Date |
|---------------|---|------------|
| CA3085 | Lumber Agreement With U.S. Falls Short | 12/8/2003 |
| CA3085 | Canadian Softwood Industry Split On Settlement | 12/8/2003 |
| CA3085 | B.C. Lumber Trade Council Adds Support To Softwood Lumber Proposal | 12/8/2003 |
| CA3085 | Canfor Corporation Will Not Support Current Softwood Lumber Proposal | 12/8/2003 |
| CA3085 | CFIA Implements New Wood Packaging Import Requirements | 12/8/2003 |
| CA3081 | Softwood Lumber Talks Gain Ground | 12/4/2003 |
| CA3081 | Firms Fear Softwood Deal Will Revive Quotas | 12/4/2003 |
| CA3081 | Canada May Share Softwood Cash | 12/4/2003 |
| CA3081 | Coalition Aims To Save Canadian Boreal Forest | 12/4/2003 |
| CA3079 | Canfor Buying Slocan Forest Products | 11/28/2003 |
| CA3079 | The SPF Group – Japan Program Launches “From Canada 2x4 Promotion Campaign” | 11/28/2003 |
| CA3079 | Canadian Industry Split Over Latest Softwood Bid | 11/28/2003 |
| CA3079 | Strike Shuts Down B.C. Coastal Forest Industry | 11/28/2003 |
| CA3079 | New Skeena Mill In Court - Seeks More Protection | 11/28/2003 |
| CA3079 | CFIA Releases Management Plan To Control Spread Of Emerald Ash Borer | 11/28/2003 |
| CA3077 | Ottawa Makes Latest Move In Lumber Dispute | 11/21/2003 |
| CA3076 | CFIA Moves To Combat Spread Of Asian Long-Horned Beetle | 10/31/2003 |
| CA3068 | FAS Opens Toronto Office | 10/16/2003 |
| CA3068 | B.C. Experiences Record Log Exports | 10/16/2003 |
| CA3068 | Canada Spends \$20 Million For Genetically Modified Trees | 10/16/2003 |
| CA3065 | B.C. Defends New Timber Pricing Legislation | 10/10/2003 |
| CA3065 | B.C. Government Funds Forestry Research | 10/10/2003 |
| CA3065 | Lumber Prices Fall Sharply Despite Strike Threat | 10/10/2003 |
| CA3062 | Beetle Dooms Thousands Of Trees; Kilometers-Long Swath Must Be Cut | 9/29/2003 |
| CA3062 | Gypsy Moths Discovered In Northern Alberta | 9/29/2003 |
| CA3062 | Government Of Canada Invests In B.C. Forest Communities | 9/29/2003 |
| CA3060 | B.C. Premier Pushes U.S. Leaders To Resolve Softwood Dispute | 9/16/2003 |

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|--------|--|-----------|
| CA3060 | Toronto Responds To Asian Longhorned Beetle's Attack On Urban Forest | 9/16/2003 |
| CA3060 | Canada Pleased With NAFTA Threat Of Injury Ruling On Softwood Lumber | 9/16/2003 |
| CA3056 | Forest Fires Destroy Billions Of Dollars Of Lumber In British Columbia | 9/5/2003 |
| CA3056 | CFIA Adds Five Michigan Counties To Areas Regulated For The Emerald Ash Borer | 9/5/2003 |
| CA3051 | Canada Claims Win At NAFTA Panel Ruling On Softwood Lumber Countervailing Duties | 8/19/2003 |
| CA3051 | Plywood Prices Go "Through The Roof" | 8/19/2003 |
| CA3047 | Proposal To Solve Lumber Dispute Fails | 7/31/2003 |
| CA3042 | Canada Welcomes NAFTA Panel Anti-Dumping Ruling On Softwood Lumber | 7/16/2003 |
| CA3038 | Weyerhaeuser To Temporarily Shut Down Five Mills | 7/03/2003 |
| CA3037 | Sudden Oak Death Discovered At B.C. Nursery | 6/25/2003 |
| CA3036 | B.C. Investments Support Wood Product Exports | 6/19/2003 |
| CA3035 | B.C., Quebec Lumber Officials Back Export Quota & Tax | 6/05/2003 |
| CA3035 | Quebec, Ontario, Manitoba And Alberta Join Maritimes In Opposing Export Quota Proposal | 6/05/2003 |
| CA3034 | Canada Welcomes Interim WTO Decision On Softwood Lumber | 5/29/2003 |
| CA3031 | Export Development Canada Release Canada Account Annual Report For 2001/02 | 5/16/2003 |
| CA3031 | Canada Rejects U.S. Proposal To Tie Export Tax To Market Share | 5/16/2003 |
| CA3024 | B.C. Government C\$12 Million Partnership To Open Up Chinese Housing Market | 4/25/2003 |
| CA3022 | Softwood War Tops Pettigrew's Trade List | 4/11/2003 |
| CA3017 | British Columbia Ministry Of Forests Introduces Comprehensive Forestry Revitalization Plan | 3/28/2003 |
| CA3013 | Funding Doubled For Canadian Agriculture And Food Promotion | 3/07/2003 |
| CA3013 | First Nations Group Receives Licenses To Battle Beetle Infestation | 3/07/2003 |
| CA3012 | No Solution To Lumber Dispute | 2/21/2003 |
| CA3012 | Canada Should Turn To WTO, NAFTA For Softwood Settlement Says Finance Minister Manley | 2/21/2003 |
| CA3011 | Canadian Federal Budget Increases Ag Spending By\$483 Million | 2/21/2003 |
| CA3011 | Cfia Revises Directive On Phytosanitary Requirements On Pathogen Causing Sudden Oak Death | 2/21/2003 |
| CA3010 | Value Of 2002 Building Permits Breaks Record | 2/13/2003 |
| CA3010 | U.S. And Canada On 'Glide Path' To Softwood Pact | 2/13/2003 |
| CA3010 | Trade Minister Insists On Softwood Lumber Duty Repayment | 2/13/2003 |
| CA3008 | Canadian Food Inspection Agency Undergoes Organization Changes | 2/7/2003 |

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|--------|--|-----------|
| CA3008 | Softwood Export Tax A Possibility Says Natural Resources Minister Dhaliwal | 2/7/2003 |
| CA3007 | Firms Ramp Up Production To Lower Costs In Light Of Lumber Duties | 1/30/2003 |
| CA3007 | B.C. Increases Cut On Tree Farm Licence 5 To Fight Pine Beetle | 1/30/2003 |
| CA3007 | Canadian, U.S. Unions Join To Field Plan To End Softwood Lumber Dispute | 1/30/2003 |
| CA3007 | Canadians Claim Softwood Lumber Duties Are Backfiring | 1/30/2003 |
| CA2146 | Solid Wood Products Annual | 1/28/2003 |
| CA3005 | Canada expects u.s. to comply with WTO Byrd decision | 1/23/2003 |
| CA3005 | B.C. Lumber Trade Council reaction to WTO ruling on Byrd amendment | 1/23/2003 |
| CA3005 | Alberta Forest Products Association responds to 'Aldonas report' | 1/23/2003 |
| CA3005 | Revised Canadian Import Policy For Wood And Wood Products | 1/23/2003 |
| CA3004 | Commerce Undersecretary's Forestry Paper Draws Additional Criticism | 1/17/2003 |
| CA3003 | Reaction To U.S. Softwood Proposal | 1/09/2003 |
| CA3003 | WTO Panel Established In Canada-U.S. Softwood Lumber Dispute | 1/09/2003 |
| CA3003 | Canada Announces Support For Canadian Softwood Lumber Associations | 1/09/2003 |
| CA3003 | New Forest Industry Association Created In Quebec | 1/09/2003 |

VISIT OUR WEBSITE: The FAS/Ottawa website is now accessible through the U.S. Embassy homepage. To view the website, log onto www.usembassycanada.gov; click on Embassy Ottawa offices, then Foreign Agricultural Service. The FAS/Ottawa office can be reached via e-mail at: info@usda-canada.com